

State of South Dakota

EIGHTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2011

400S0241

HOUSE TAXATION ENGROSSED NO. **SB 39** - 2/8/2011

Introduced by: The Committee on Taxation at the request of the Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding what organizations
2 qualify for an exemption from sales tax as a relief agency or a religious educational
3 institution.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 10-45-10 be amended to read as follows:

6 10-45-10. There are hereby specifically exempted from the provisions of this chapter and
7 from the computation of the amount of tax imposed by it, the gross receipts from sales of
8 tangible personal property, any product transferred electronically, and services to the United
9 States, to the State of South Dakota or to any other state of the United States or the District of
10 Columbia if the other state provides a reciprocal exemption for South Dakota, to public or
11 municipal corporations of the State of South Dakota or of any other state of the United States
12 or the District of Columbia if the other state provides a reciprocal exemption to South Dakota
13 public or municipal corporations, to any nonprofit charitable organization maintaining a
14 physical location within this state which devotes its resources exclusively to the relief of the



1 poor, distressed or underprivileged, and has been recognized as an exempt organization under
2 § 501(c)(3) of the Internal Revenue Code, or to any Indian tribe.

3 Section 2. That § 10-45-14 be amended to read as follows:

4 10-45-14. There are specifically exempted from the provisions of this chapter and from the
5 computation of the amount of tax imposed by it, the gross receipts from sales of tangible
6 personal property, any product transferred electronically, and services to and for use by religious
7 educational institutions, private educational institutions currently recognized as exempt under
8 section 501(c)(3) of the Internal Revenue Code as in effect on January 1, ~~1983~~ 2011, and
9 nonprofit, charitable hospitals when purchases are made by authorized officials, payment made
10 from the institution funds and title to the property retained in the name of such institution. For
11 the purposes of this section, a private educational institution shall be defined as an institution
12 currently recognized as exempt under section 501(c)(3) of the Internal Revenue Code as in
13 effect on January 1, ~~1983~~ 2011, maintaining a campus physically located within this state; and
14 accredited by the South Dakota Department of Education or the North Central Association of
15 Colleges and Schools. For the purposes of this section, a religious educational institution shall
16 be defined as an institution currently recognized as exempt under section 501(c)(3) of the
17 Internal Revenue Code as in effect on January 1, 2011, that maintains a campus physically
18 located within this state.

19 This exemption does not extend to sales to or purchases of tangible personal property or any
20 product transferred electronically for the personal use of officials, members or employees of
21 such institutions or to sales to or purchases of tangible personal property or any product
22 transferred electronically used in the operation of a taxable retail business.

23 The exemption provided in this section does not, in any manner, relieve the institution from
24 the payment of the additional and further license fee imposed on the registration of motor

1 vehicles.

2 ~~All institutions~~ Each institution claiming this exemption shall prepare and maintain a list of
3 all purchases on which the exemption was claimed, fully itemized, showing name and address
4 of vendors, description of property purchased, date or dates of purchase, purchase price, and
5 brief explanation of use or intended use.